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Minnesota Labor Market Review

Quarterly Issue
February 1988

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Industry employment: what the revised 1986 and 1987 numbers reveal, page 9.

How have foreign imports affected Minnesota industry over the last 10 years? For more information on Trade Act activity, see page 15.

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Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the state are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed 8 double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

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Analysis of National and State Economic Conditions

By Ben Boyle

Nation

NATION

Unemployment Rate Remains At 5.8 Percent In January; Payroll Employment Growth Slows After Very Strong Fourth Quarter

The nation's seasonally adjusted unemployment rate remained at 5.8 percent in January after averaging 5.9 percent in the fourth quarter, 6.0 percent in the third quarter and 6.8 percent in the final quarter of 1986. Meanwhile, seasonally adjusted nonfarm payroll employment rose a relatively modest 107,000 in January after gains averaging 387,000 in the fourth quarter and 205,000 in the third quarter. Although most industries grew faster in the fourth quarter, much of the acceleration occurred in construction, durable goods manufacturing and the services industry. Employment in these same industries rose modestly in January. One official said that the slowdown was not surprise since hiring had been so strong in recent months.

Other Indicators Also Display Sluggishness In January

Although a number of the economic indicators showed slower growth in January, perhaps the most glaring weakness was in the housing industry where starts fell for the second straight month and to their lowest level since the end of the recession in January 1982. Also, retail sales rose only 0.5 percent in January after a gain of 1.2 percent in December while industrial production climbed a small 0.2 percent following increases of 0.4 percent in December and November. The growth of personal income and spending also slowed significantly in January as each rose only 0.3 percent after both rose 0.7 percent in December.

State

STATE

Unemployment Little Changed In January But Down From A Year Ago

Minnesota's seasonally unadjusted unemployment rate rose from 5.9 percent in December to 6.1 percent in January but was below the 6.6 percent of January 1987. The fourth quarter average of 5.1 percent matched the fourth quarter rate in 1986.

Payroll Employment Growth Slows In January

Seasonally adjusted nonfarm payroll employment rose by a less than average 4,692 in January after stronger gains in the three previous months. The January increase was the smallest since a rise of 2,171 in September. However, the fourth quarter was quite strong with an average monthly employment gain of 7,445 compared to an average monthly increase of 4,364 in the third quarter. A large part of the increased growth in the fourth quarter was in the manufacturing sector, particularly in nondurable goods. In January, factory employment climbed by a very steep 3,680, the strongest of the year. Among individual manufacturing industries, the biggest over-the-month increases were in food products, lumber and wood products, electrical machinery, and printing and publishing. Over the year, payroll employment rose by 69,000. The largest increases from January 1987 took place in the services industry (23,450), trade (16,360), and manufacturing (13,100).

Note: Civilian labor force estimates for the United States and Minnesota appear in the Statistical Section on page 20.

Labor Force and Establishment Data

	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	IV QTR 1987	Percent Change from		IV QTR 1987	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,295.4	1.4	1.8	120,520	-0.6	1.7
Seasonally Adjusted	n.a.	n.a.	n.a.	120,568	0.4	1.7
Employment						
Actual	2,177.9	0.8	1.7	113,795	-0.2	2.8
Seasonally Adjusted	n.a.	n.a.	n.a.	113,486	0.6	2.8
Unemployment						
Actual	117.5	15.0	3.2	6,725	-5.7	-12.9
Seasonally Adjusted	n.a.	n.a.	n.a.	7,082	-1.6	-12.8
Unemployment Rates						
Actual	5.1	13.3	0.0	5.6	-5.1	-13.8
Seasonally Adjusted	n.a.	n.a.	n.a.	5.9	-1.7	-13.2
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population (16+)	n.a.	n.a.	n.a.	65.7	0.2	0.5
Full Employment Deficit - Percent of Workers1/	1.1	0.5	1.1	1.6	1.9	2.5
Manpower Utilization Rate2/	84.2	0.0	0.4	83.7	0.2	1.5
Nonagricultural Wage & Salary Positions						
Employment (Seasonally adjusted)	1,986.7	1.1	4.0	103,267	1.0	2.9
Mining	7.1	12.1	26.4	762	1.5	4.4
Construction	82.1	0.6	5.8	5,087	1.8	3.0
Manufacturing	379.8	1.3	2.6	19,320	1.0	1.9
Durables	224.7	1.4	2.6	11,358	1.1	1.7
Nondurables	155.1	1.2	2.7	7,962	0.8	2.3
Trans., Comm., & Public Utilities	101.2	0.4	2.5	5,451	1.2	3.4
Trade	493.2	0.9	3.8	24,268	0.7	2.3
Fin., Ins., & Real Estate	121.4	0.9	3.5	6,656	0.5	3.7
Services	484.0	1.4	6.1	24,498	1.0	4.4
Government	317.9	0.9	2.8	17,225	1.1	1.9
Average Weekly Hours (Seasonally adjusted)						
Mining	44.2	5.0	7.8	42.7	1.2	1.7
Construction	38.5	0.3	0.3	37.9	0.0	2.2
Manufacturing	41.0	0.0	1.0	41.2	0.7	1.0
Durables	42.2	0.0	1.9	41.8	1.0	1.0
Nondurables	39.5	0.0	-0.5	40.4	0.5	1.0
Trans., Comm., & Public Utilities	37.0	-0.3	1.1	39.1	-0.3	0.0
Trade	29.4	-0.3	-1.7	31.3	-0.9	0.0
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.2	0.0	-0.8
Services	n.a.	n.a.	n.a.	32.5	0.0	0.3
Average Hourly Wage						
Mining	12.84	-0.3	1.6	12.42	0.6	-1.2
Construction	15.48	1.9	1.4	12.80	1.0	0.8
Manufacturing	10.42	0.7	2.4	10.01	1.0	2.4
Durables	10.72	-0.2	2.4	10.57	1.1	2.3
Nondurables	10.01	1.8	2.0	9.24	0.5	2.4
Trans., Comm., & Public Utilities	12.61	0.1	2.3	12.15	-1.7	2.4
Trade	7.80	0.5	1.3	7.13	1.1	2.1
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	8.86	1.1	4.5
Services	n.a.	n.a.	n.a.	8.68	3.0	4.7

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Minnesota Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Jan. 1988	Dec. 1987	Jan. 1987	Dec. 1987	Jan. 1987	Jan. 1988	Jan. 1987	Jan. 1988	Jan. 1987	Jan. 1988	Jan. 1987
Total Nonagricultural	**1,952.0**	**1,997.9**	**1,884.5**	**-2.3**	**3.6**	-	-	-	-	-	-
Manufacturing	**376.4**	**379.2**	**363.8**	**-0.7**	**3.5**	**421.54**	**421.06**	**10.46**	**10.32**	**40.3**	**40.8**
Durable Goods	224.4	225.7	215.7	-0.6	4.0	442.32	447.32	10.71	10.60	41.3	42.2
Lumber and Furniture	21.5	21.3	18.8	0.9	14.4	433.53	416.93	11.53	11.03	37.6	37.8
Stone, Clay and Glass	7.2	8.0	7.0	-10.2	3.4	411.25	399.06	10.23	10.67	40.2	37.4
Primary Metals	6.8	6.7	6.2	1.3	9.4	406.00	397.52	9.42	9.42	43.1	42.2
Fabricated Metals	33.9	34.0	32.4	-0.5	4.7	520.13	495.76	12.04	11.72	43.2	42.3
Nonelectrical Machinery	79.4	79.9	79.7	-0.6	-0.3	471.06	467.84	11.11	11.06	42.4	42.3
Office and Computing	38.6	38.9	40.4	-0.8	-4.5	519.70	522.85	12.03	11.91	43.2	43.9
Electrical Machinery	29.4	29.3	27.0	0.3	9.0	346.18	383.08	8.59	8.57	40.3	44.7
Transportation Equipment	10.3	10.3	9.4	-0.6	9.0	538.80	581.13	12.19	11.74	44.2	49.5
Scientific Instruments	30.6	30.6	29.8	0.1	2.7	419.63	423.11	10.26	10.05	40.9	42.1
Misc. Manufacturing	5.4	5.6	5.6	-3.3	-3.6	393.74	425.57	10.07	10.56	39.1	40.3
Nondurable Goods	152.0	153.6	148.1	-1.0	2.7	394.68	388.65	10.12	9.94	39.0	39.1
Food and Kindred	43.6	44.8	43.2	-2.7	0.8	359.07	350.46	9.16	8.85	39.2	39.6
Textiles and Apparel	4.6	4.8	4.6	-4.7	-0.9	271.95	262.68	7.41	6.60	36.7	39.8
Paper and Allied	32.2	32.3	32.1	-0.4	0.2	505.06	484.93	11.94	11.41	42.3	42.5
Printing and Publishing	45.6	45.7	43.9	-0.1	4.0	377.25	373.83	10.45	10.59	36.1	35.3
Chemicals and Petroleum	10.9	10.7	10.0	1.4	8.1	479.57	476.35	11.90	11.59	40.3	41.1
Rubber, Plastic & Leather	15.2	15.3	14.2	-0.3	6.9	358.22	343.48	8.78	8.74	40.8	39.3
Nonmanufacturing	**1,575.6**	**1,618.7**	**1,520.7**	**-2.7**	**3.6**	-	-	-	-	-	-
Mining	6.0	6.1	4.6	-1.8	31.1	574.65	556.01	13.09	13.27	43.9	41.9
Metal Mining	4.9	4.7	3.4	3.9	42.1	603.37	605.15	13.62	14.34	44.3	42.2
Construction	66.4	78.6	64.8	-15.5	2.5	590.26	608.30	15.91	15.40	37.1	39.5
Transp., Comm., Pub. Util.	100.3	102.6	98.0	-2.3	2.3						
Transportation	66.2	68.2	65.1	-3.0	1.7						
Trucking & Warehousing	25.6	27.2	25.6	-5.8	0.1	393.55	366.59	12.26	11.98	32.1	30.6
Comm. & Public Util.	34.1	34.4	33.0	-0.9	3.4	559.25	558.09	14.64	14.31	38.2	39.0
Trade	485.2	502.2	469.0	-3.4	3.4	221.37	219.17	7.85	7.69	28.2	28.5
Wholesale	120.8	122.2	117.6	-1.1	2.7	409.26	401.44	10.63	10.62	38.5	37.8
Retail	364.4	380.0	351.4	-4.1	3.7	166.82	167.57	6.62	6.47	25.2	25.9
Building Materials	15.9	17.3	15.7	-8.2	1.3	336.90	330.62	8.96	8.84	37.6	37.4
General Merchandise	58.0	60.4	53.7	-4.0	8.2	132.66	121.66	5.87	5.53	22.6	22.0
Food Stores	49.4	51.0	47.3	-3.2	4.5	190.94	195.30	7.26	7.18	26.3	27.2
Automotive	39.2	40.1	38.2	-2.2	2.6	313.64	310.00	8.86	8.47	35.4	36.6
Apparel	19.6	21.0	19.1	-7.0	2.7	97.99	108.93	5.24	5.09	18.7	21.4
Home Furnishings	16.8	17.1	15.8	-2.0	6.5	249.28	209.92	8.12	7.14	30.7	29.4
Eating and Drinking	117.2	122.0	114.3	-4.0	2.6	101.70	99.05	4.73	4.65	21.5	21.3
Fin., Insur., Real Estate	121.2	121.5	117.0	-0.3	3.6	-	-	-	-	-	-
Finance	56.2	56.4	54.4	-0.4	3.4	-	-	-	-	-	-
Insurance	45.0	44.9	43.2	0.4	4.2	-	-	-	-	-	-
Real Estate	19.9	20.2	19.4	-1.5	2.6						
Services	476.6	485.2	453.9	-1.8	5.0						
Personal Services	25.2	25.5	24.1	-1.4	4.5						
Business Services	91.9	95.0	84.7	-3.3	8.6						
Repair Services	19.9	20.1	19.6	-0.9	1.5						
Health Services	151.4	151.3	146.1	0.0	3.7						
Hospitals	51.8	51.8	50.4	0.0	2.7						
Nursing Homes	41.4	41.5	41.2	-0.4	0.5						
Legal Services	14.5	14.5	13.8	0.3	5.6						
Private Education	25.7	27.2	25.8	-5.3	-0.2						
Government	320.0	322.5	313.3	-0.8	2.1						
Federal	33.5	33.5	32.6	-0.2	2.5						
State	80.8	79.7	78.8	1.4	2.5						
Education	45.1	43.9	44.1	2.6	2.2						
Local	205.8	209.2	201.9	-1.7	1.9						
Education	111.5	114.5	109.6	-2.6	1.7						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Minneapolis–St. Paul MSA

By Kevin Alaspa

Seasonal Factors Cause The Unemployment Rate To Rise
The Twin cities metropolitan area labor market picture in January was characterized by normal seasonal retrenchment. While the total labor force declined, the total level of employment dropped by a slightly higher proportion, causing a one-tenth percent rise in the unemployment rate. This is normal for the mid-winter, as the unemployment rate generally reaches its peak for the year in either January or February.

Wage and salary employment was down by 26,100 from December. Industries in which downturns took place were those which are traditionally most affected by seasonal factors in January, and approximately 97 percent of these declines took place among nonmanufacturing firms. Construction employment dropped by 6,000, which followed the normal pattern of work in this industry, declining to its lowest point in the mid-winter months. Retail trade employment was down by 9,000, as many holiday-related sales positions ended. Employment in the services sector was down by approximately 7,000, and cutbacks occurred primarily in business services and amusements and recreation firms. The average number of hours worked per week declined in almost all industries, and this can be considered a reflection of a tightening labor market. Fewer new hires are added in periods of declining average weekly hours, and this was a typical seasonal condition.

The Near-Term Employment Outlook Remains Favorable
Even though these downturns took place, other data series showed that the employment situation in January remained fairly strong. The average weekly number of initial claims for unemployment insurance, a barometer of layoffs that are taking place, was 5.4 percent below the level in January 1987.

Upcoming months will reflect a continuation of trends that prevail during the winter. Construction and other seasonal work will cause employment totals to rise with the onset of spring. Even though the month-to-month figures showed some declines in January, the overall assessment of the employment picture in the Twin Cities metropolitan area is positive. Total nonagricultural wage and salary employment was 44,700 ahead of January 1987, representing a 3.6 percent gain. Every indication shows that the situation will remain strong through the next few months.

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987
Mpls.-St.Paul MSA*	1,272,572	1,314,235	1,256,269	62,541	63,024	63,698	4.7	4.6	4.8
REGION 11	1,195,458	1,234,412	1,180,179	55,050	56,071	56,209	4.4	4.3	4.5
Anoka	119,782	123,685	118,251	6,655	6,370	6,337	5.3	4.9	5.1
Carver	21,969	22,685	21,689	1,184	1,077	1,260	5.1	4.5	5.5
Dakota	125,981	130,086	124,371	6,495	6,407	6,740	4.9	4.7	5.1
Hennepin	575,152	593,894	567,801	23,298	24,462	24,068	3.9	4.0	4.1
Ramsey	259,947	268,417	256,624	11,861	12,258	12,449	4.4	4.4	4.6
Scott	25,845	26,687	25,515	2,126	2,022	2,170	7.6	7.0	7.8
Washington	66,782	68,958	65,928	3,431	3,475	3,185	4.9	4.8	4.6
Chisago	13,096	13,523	12,929	1,521	1,398	1,442	10.4	9.4	10.0
Isanti	11,294	11,662	11,150	1,110	981	1,072	8.9	7.8	8.8
Wright	29,902	30,876	29,519	3,110	2,831	2,899	9.4	8.4	8.9
St. Croix, WI	22,822	23,762	22,492	1,750	1,743	2,076	7.1	6.8	8.5
Bloomington	54,209	55,975	53,516	2,097	2,200	2,039	3.7	3.8	3.7
Minneapolis	200,535	207,070	197,972	8,634	9,394	9,467	4.1	4.3	4.6
St. Paul	138,002	142,498	136,238	7,284	7,752	7,869	5.0	5.2	5.5

* Chisago, Isanti and Wright counties are a part of the Minneapolis-St. Paul MSA, and are also included in Region 7.

Note: Add employment and unemployment to calculate civilian labor force.

Mpls.–St. Paul Nonagricultural Wage & Salary Employment, Hours & Earnings

INDUSTRY	EMPLOYMENT1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS2/					
						Average Weekly Earnings		Av. Hourly Earnings		Average Weekly Hrs.	
	Jan. 1988	Dec. 1987	Jan. 1987	Dec. 1987	Jan. 1987	Jan. 1988	Jan. 1987	Jan. 1988	Jan. 1987	Jan. 1988	Jan. 1987
Total Nonagricultural	**1,283.9**	**1,310.0**	**1,239.2**	**-2.0**	**3.6**	-	-	-	-	-	-
Manufacturing	**256.3**	**257.1**	**248.5**	**-0.3**	**3.1**	**448.74**	**449.74**	**11.08**	**11.05**	**40.5**	**40.7**
Durable Goods	160.2	160.7	154.8	-0.3	3.5	464.54	465.47	11.14	11.03	41.7	42.2
Lumber and Furniture	9.3	9.1	8.5	2.6	9.6	464.89	445.05	12.17	11.62	38.2	38.3
Stone, Clay and Glass	3.0	3.2	2.7	-6.3	9.9	393.98	473.48	10.26	12.46	38.4	38.0
Primary Metals	4.9	4.8	4.6	0.7	4.9	402.60	400.76	9.15	9.32	44.0	43.0
Fabricated Metals	26.2	26.3	25.3	-0.7	3.3	545.62	531.42	12.63	12.33	43.2	43.1
Nonelectrical Machinery	62.3	62.9	62.4	-0.9	-0.1	486.78	472.01	11.40	11.08	42.7	42.6
Office and Computing	31.1	31.8	32.2	-1.9	-3.3	501.34	486.18	11.42	10.95	43.9	44.4
Electrical Machinery	17.1	16.9	15.0	1.4	14.2	343.39	372.96	8.76	8.88	39.2	42.0
Transportation Equipment	5.8	5.7	5.5	1.1	4.7	741.51	692.12	15.71	14.30	47.2	48.4
Scientific Instruments	28.4	28.3	27.5	0.1	3.4	427.58	428.90	10.48	10.36	40.8	41.4
Misc Manufacturing	3.3	3.5	3.3	-5.6	-0.1	410.41	388.03	10.01	9.35	41.0	41.5
Nondurable Goods	96.1	96.3	93.7	-0.3	2.5	425.64	425.47	10.97	11.08	38.8	38.4
Food and Kindred	17.9	18.1	18.3	-1.1	-2.0	442.66	403.48	11.15	10.48	39.7	38.5
Textiles and Apparel	2.0	2.0	2.0	-1.9	-0.3	237.30	247.75	7.00	6.66	33.9	37.2
Paper and Allied	25.0	25.0	24.9	-0.2	0.1	469.99	454.01	11.38	10.94	41.3	41.5
Printing and Publishing	31.7	31.7	30.6	0.0	3.4	390.96	405.58	10.80	11.79	36.2	34.4
Chemicals and Petroleum	9.1	9.0	8.4	0.9	7.7	511.52	525.30	12.82	12.75	39.9	41.2
Rubber, Plastic & Leather	10.5	10.6	9.5	-0.8	10.9	408.87	423.54	9.90	10.28	41.3	41.2
Nonmanufacturing	**1,027.7**	**1,053.0**	**990.6**	**-2.4**	**3.7**	-	-	-	-	-	-
Mining	0.5	0.5	0.5	-13.3	-16.6	208.78	208.78	8.03	8.03	26.0	26.0
Construction	46.1	52.2	44.6	-11.6	3.4	623.24	644.10	16.89	16.95	36.9	38.0
Transp., Comm., Pub. Util.	70.7	72.0	68.4	-1.8	3.4	-	-	-	-	-	-
Transportation	48.1	49.3	47.3	-2.4	1.7	-	-	-	-	-	-
Trucking & Warehousing	15.9	16.9	15.7	-6.2	0.9	394.27	351.97	13.32	12.94	29.6	27.2
Comm. & Public Util.	22.6	22.7	21.1	-0.7	7.2	548.35	554.92	14.28	14.12	38.4	39.3
Trade	319.1	328.0	305.9	-2.7	4.3	245.90	237.02	8.45	8.23	29.1	28.8
Wholesale	85.6	85.7	81.0	-0.1	5.7	437.41	429.34	11.13	11.21	39.3	38.3
Retail	233.5	242.3	224.9	-3.6	3.8	184.21	179.40	7.14	6.90	25.8	26.0
Building Materials	10.0	10.5	9.2	-4.6	9.0	339.02	350.90	9.77	9.64	34.7	36.4
General Merchandise	41.5	43.2	39.8	-4.1	4.2	141.52	141.86	6.10	5.79	23.2	24.5
Food Stores	27.2	28.1	27.2	-3.4	0.0	235.91	234.62	8.61	8.32	27.4	28.2
Automotive	23.1	23.5	22.3	-1.6	3.6	375.97	350.97	9.92	9.46	37.9	37.1
Apparel	12.8	13.9	12.7	-7.5	0.7	87.58	97.34	5.34	5.29	16.4	18.4
Home Furnishings	11.7	12.0	11.1	-1.8	6.2	221.51	169.72	7.56	6.04	29.3	28.1
Eating and Drinking	76.0	78.3	73.2	-2.9	3.9	117.60	105.08	5.25	4.98	22.4	21.1
Fin., Insur., Real Estate	95.0	95.0	90.9	0.1	4.6	-	-	-	-	-	-
Finance	41.0	41.0	38.7	0.0	5.9	-	-	-	-	-	-
Insurance	38.0	37.6	36.2	1.1	4.8	-	-	-	-	-	-
Real Estate	16.1	16.4	15.9	-2.1	0.8	-	-	-	-	-	-
Services	322.0	329.1	310.0	-2.2	3.9						
Personal Services	17.8	17.9	17.2	-0.5	3.4						
Business Services	77.9	81.4	74.1	-4.4	5.1						
Repair Services	15.0	15.0	14.7	-0.1	1.8						
Health Services	85.9	86.1	82.6	-0.2	4.1						
Hospitals	31.0	31.1	30.1	-0.3	3.0						
Nursing Homes	22.3	22.5	21.8	-1.0	2.3						
Legal Services	11.5	11.5	10.8	0.1	6.2						
Private Education	16.0	16.5	15.8	-3.0	1.7						
Government	174.3	176.2	170.3	-1.1	2.4						
Federal	20.5	20.5	19.6	0.1	4.6						
State	53.8	53.9	51.2	-0.2	5.1						
Education	29.8	30.0	27.8	-0.5	7.2						
Local	100.0	101.8	99.5	-1.8	0.5						
Education	53.2	55.2	53.0	-3.6	0.4						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full-time and part-time production or non-supervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Central and Northwest Minnesota

By Ron Daws

Most Employment Growth Across Central And Northwest Minnesota Occurs In The St. Cloud MSA

While employment levels grew modestly in most regions over the year except in Region 2 where it probably fell, the St. Cloud MSA created jobs at a prodigious rate. Official labor force data suggest that the MSA created a total of 5,643 additional jobs over the year, a 6.8 percent increase. Of these jobs, 4,076 were nonfarm payroll positions, which increased 6.1 percent.

Between December and January, employment dropped seasonally in all areas. Meanwhile, unemployment increased everywhere except in the St. Cloud MSA where according to the official data series the rate dropped from 7.6 percent in December to 7.0 percent in January. If these figures are even reasonably valid, then this was the first time in the 1980s, at least, that the MSA's unempment rate dropped between December and January. Even allowing for sampling error in the labor force data series, it is apparent that the St. Cloud MSA's job market functions differently and more vibrantly than the rest of Central and Northwest Minnesota's.

While the temporary January drop in employment was spread across many industries sensitive to winter slowdowns, compared to January 1987, every major industry in the MSA had created more jobs. The strongest was construction with nearly 30 percent more jobs this January. Manufacturing, an industry trudging along in many areas of the nation and state, employed 8.1 percent more people than it did last January. The huge trade sector, commanding roughly 30 percent of the MSA's wage and salary jobs, added 5.6 percent (1,150) more jobs over the year, and the health services sector employed 7.8 percent more people than it did a year ago January. The question emerging for the rest of 1988 seems to be: Will the St. Cloud area continue to generate jobs and business, often at the expense of nearby areas north, west and east of it?

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987
St. Cloud MSA*	88,245	88,405	82,602	6,602	7,288	6,850	7.0	7.6	7.7
REGION 1	36,054	38,248	35,765	5,063	4,614	4,994	12.3	10.8	12.3
Kittson	2,125	2,332	2,122	328	323	467	13.4	12.2	18.0
Marshall	3,738	4,075	3,873	1,069	896	1,052	22.2	18.0	21.4
Norman	3,079	3,282	3,123	372	364	368	10.8	10.0	10.5
Pennington	5,460	5,889	5,428	846	676	786	13.4	10.3	12.6
Polk	12,960	13,454	13,116	1,409	1,364	1,458	9.8	9.2	10.0
Red Lake	1,199	1,372	1,207	409	336	404	25.4	19.7	25.1
Roseau	7,493	7,844	6,896	630	655	459	7.8	7.7	6.2
REGION 2	25,575	27,100	25,877	3,398	3,161	3,777	11.7	10.4	12.7
Beltrami	13,701	14,733	13,945	1,361	1,252	1,546	9.0	7.8	10.0
Clearwater	2,761	2,938	2,825	847	722	913	23.5	19.7	24.4
Hubbard	5,544	5,640	5,480	761	765	852	12.1	11.9	13.5
Lake of Woods	1,528	1,626	1,590	150	149	159	8.9	8.4	9.1
Mahnomen	2,041	2,163	2,037	279	273	307	12.0	11.2	13.1
REGION 4	85,544	89,816	85,029	7,699	7,478	8,542	8.3	7.7	9.1
Becker	12,528	13,129	11,884	1,406	1,435	1,820	10.1	9.9	13.3
Clay	23,871	24,563	23,443	1,516	1,497	1,721	6.0	5.7	6.8
Douglas	13,933	13,990	13,479	1,088	1,062	1,034	7.2	7.1	7.1
Grant	2,433	2,614	2,468	267	244	304	9.9	8.5	11.0
Otter Tail	20,238	21,985	20,618	2,341	2,183	2,470	10.4	9.0	10.7
Pope	3,609	4,011	3,746	403	396	394	10.0	9.0	9.5
Stevens	4,382	4,668	4,608	293	295	344	6.3	5.9	6.9
Traverse	1,704	1,855	1,831	163	154	188	8.7	7.7	9.3
Wilkin	2,846	3,001	2,952	222	212	267	7.2	6.6	8.3
REGION 5	48,613	50,921	49,044	6,215	6,034	6,597	11.3	10.6	11.9
Cass	6,483	6,876	6,644	1,171	1,140	1,286	15.3	14.2	16.2
Crow Wing	17,606	18,528	17,602	1,718	1,830	2,136	9.8	9.0	10.8
Morrison	11,423	11,714	11,538	1,600	1,489	1,546	12.3	11.3	11.8
Todd	8,961	9,324	9,093	1,065	1,154	1,073	10.6	11.0	10.6
Wadena	4,140	4,479	4,167	461	421	556	10.0	8.6	11.8
REGION 6E	46,757	49,443	46,607	3,853	3,785	4,487	7.6	7.1	8.8
Kandiyohi	16,838	17,692	16,659	1,287	1,346	1,488	7.1	7.1	8.2
McLeod	14,785	15,500	14,699	869	784	1,047	5.6	4.8	6.6
Meeker	6,986	7,382	7,234	922	830	1,076	11.7	10.1	12.9
Renville	8,148	8,869	8,015	775	825	876	8.7	8.5	9.9
REGION 7E	45,353	47,379	44,805	5,722	5,240	5,481	11.2	10.0	10.9
Chisago	13,096	13,523	12,929	1,521	1,398	1,442	10.4	9.4	10.0
Isanti	11,294	11,662	11,150	1,110	981	1,072	8.9	7.8	8.8
Kanabec	4,855	5,168	4,961	789	727	698	14.0	12.3	12.3
Mille Lacs	7,839	8,243	7,676	910	842	965	10.4	9.3	11.2
Pine	8,269	8,783	8,089	1,392	1,292	1,304	14.4	12.8	13.9
REGION 7W	118,147	119,281	112,121	9,712	10,119	9,749	7.6	7.8	8.0
Benton	13,857	13,883	12,971	1,043	1,307	1,161	7.0	8.6	8.2
Sherburne	16,634	16,664	15,571	1,507	1,634	1,484	8.3	8.9	8.7
Stearns	57,754	57,858	54,060	4,052	4,347	4,205	6.6	7.0	7.2
Wright	29,902	30,876	29,519	3,110	2,831	2,899	9.4	8.4	8.9

* Benton, Stearns, and Sherburne counties

Note: Add employment and unemployment to calculate civilian labor force.

ST. CLOUD MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Jan. 1988	Dec. 1987	Jan. 1987	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	70,421	72,427	66,345	-2.8	6.1
Total Manufacturing	12,170	12,260	11,253	-0.7	8.1
Durable Goods	6,751	6,878	6,346	-1.8	6.4
Nondurable Goods	5,419	5,382	4,907	0.7	10.4
Total Nonmanufacturing	58,251	60,167	55,092	-3.2	5.7
Construction & Mining	3,800	4,200	2,949	-9.5	28.9
Transp., Comm., & Public Util.	3,425	3,396	3,281	0.9	4.4
Total Trade	21,703	22,203	20,553	-2.3	5.6
Wholesale Trade	3,453	3,448	3,286	0.1	5.1
Retail Trade	18,250	18,755	17,267	-2.7	5.7
Finan., Insur., & Real Estate	2,354	2,382	2,272	-1.2	3.6
Total Services	14,168	14,578	13,668	-2.8	3.7
Health Services	5,123	5,073	4,752	1.0	7.8
Other Services	9,045	9,505	8,916	-4.8	1.4
Government	12,801	13,408	12,369	-4.5	3.5

Northeast Minnesota

By Ron Daws

The MSA's Job Increase Over The Year Is Not Shared By Duluth

While the Duluth-Superior MSA's number of nonfarm payroll jobs seasonally declined 2.7 percent since December, jobs remained 2.1 percent higher than they were during January 1987. Duluth, conversely, lost nonfarm payroll jobs over both the month and year, by 2.8 and 1.1 percent respectively. The official labor force estimate supports this; employment in January, at 34,151, was down by 2.6 percent over the month and down by 0.5 percent over the year. Meanwhile, Duluth's unemployment rate seems to have risen over the month and year.

All Duluth industries save government lost jobs over the month. Declining fastest was construction which employed 30 percent fewer workers than in December. Not all of the decline was seasonal; several projects were also winding down. While during the summer of 1987 construction was about 1,000 workers or 50 percent greater than during the summer of 1986, by January construction employment had fallen below January 1987 levels by 46 percent. Since December transportation, communications and public utilities lost eight percent of its jobs, although there were more workers than a year ago.

Duluth's job drop this January from January 1987 reverses the trend of several years. Hopefully, the deficit will not continue into February. Several industries lost jobs over the year; a few added them. The overwhelming loser was, of course, construction, but wholesale trade and government were also down significantly. Conversely, there were 8.5 percent more nondurable goods manufacturing jobs this January than there were the year before. Health services jobs increased by 5.5 percent. Retail trade and finance, insurance and real estate were also up 4.9 and 4.5 percent, respectively.

Duluth's monthly unemployment rates have exceeded those of the year before for 13 consecutive months. The 1987 annual average rate of 7.1 percent was up from 6.0 percent in 1986, enough of a difference to say for certain that joblessness increased even given slippage in the figures. With nonfarm payroll employment also down over the year in January, the next few month's figures bear watching.

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987
REGION 3	120,888	124,403	121,884	14,170	13,597	16,357	10.5	9.9	11.8
Aitkin	4,554	4,874	4,453	805	736	832	15.0	13.1	15.7
Carlton	11,030	11,127	10,704	1,362	1,248	1,394	11.0	10.1	11.5
Cook	2,070	2,215	2,120	249	258	298	10.7	10.4	12.3
Itasca	14,669	15,360	15,134	1,995	1,887	2,213	12.0	10.9	12.8
Koochiching	6,607	6,731	6,760	676	665	716	9.3	9.0	9.6
Lake	2,839	2,946	3,195	675	647	1,217	19.2	18.0	27.6
St. Louis	79,119	81,150	79,518	8,408	8,156	9,687	9.6	9.1	10.9
City of Duluth	34,151	35,027	34,323	2,996	2,647	2,719	8.1	7.0	7.3
Balance St. Louis	44,968	46,123	45,195	5,412	5,509	6,968	10.7	10.7	13.4

Note: Add employment and unemployment to calculate civilian labor force.

DULUTH AND DULUTH-SUPERIOR NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	DULUTH EMPLOYMENT			PERCENT CHANGE		DULUTH-SUPERIOR EMPLOYMENT			PERCENT CHANGE	
	Jan. 1988	Dec. 1987	Jan. 1987	Mo. Ago	Yr. Ago	Jan. 1988	Dec. 1987	Jan. 1987	Mo. Ago	Yr. Ago
Total Nonag. Wage & Salary	43,022	44,255	43,507	-2.8	-1.1	86,928	89,367	85,112	-2.7	2.1
Total Manufacturing	4,007	4,077	3,848	-1.7	4.1	7,665	7,712	7,138	-0.6	7.4
Durable Goods	1,624	1,631	1,651	-0.4	-1.6	4,026	4,057	3,863	-0.8	4.2
Nondurable Goods	2,383	2,446	2,197	-2.6	8.5	3,639	3,655	3,275	-0.4	11.1
Total Nonmanufacturing	39,015	40,178	39,659	-2.9	-1.6	79,263	81,655	77,974	-2.9	1.7
Construction	1,200	1,714	2,221	-30.0	-46.0	2,577	3,695	3,481	-30.3	-26.0
Transp., Comm., Pub. Util.	2,628	2,852	2,573	-7.9	2.1	5,645	5,739	5,510	-1.6	2.5
Total Trade	11,082	11,374	10,722	-2.6	3.4	21,403	22,257	21,122	-3.8	1.3
Wholesale Trade	1,600	1,608	1,680	-0.5	-4.8	3,384	3,457	3,455	-2.1	-2.1
Retail Trade	9,482	9,766	9,042	-2.9	4.9	18,019	18,800	17,667	-4.2	2.0
Finan., Insur., Real Est.	1,838	1,863	1,759	-1.3	4.5	3,150	3,189	3,048	-1.2	3.3
Services, Mining, & Misc.	11,910	12,044	11,575	-1.1	2.9	20,159	20,339	19,779	-0.9	1.9
Health Services	5,417	5,385	5,135	0.6	5.5	8,685	8,640	8,320	0.5	4.4
Other Services	5,643	5,784	5,617	-2.4	0.5	9,870	10,068	9,960	-2.0	-0.9
Government	10,340	10,323	10,801	0.3	-4.2	21,999	22,216	22,111	-1.0	-0.5

Southern Minnesota

By Ron Daws

LABOR FORCE ESTIMATES

AREA	EMPLOYMENT			UNEMPLOYMENT			UNEMP. RATE		
	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987	Jan. 1988	Dec. 1987	Jan. 1987
REGION 6W	21,266	22,155	21,834	2,078	2,012	2,358	8.9	8.3	9.7
Big Stone	2,459	2,603	2,634	228	229	274	8.5	8.1	9.4
Chippewa	5,992	6,304	6,022	706	616	726	10.5	8.9	10.8
Lac Qui Parle	3,642	3,810	3,726	228	224	260	5.9	5.6	6.5
Swift	4,257	4,373	4,350	441	450	574	9.4	9.3	11.7
Yellow Medicine	4,916	5,065	5,102	475	493	524	8.8	8.9	9.3
REGION 8	51,852	54,830	53,167	3,845	3,967	4,421	6.9	6.7	7.7
Cottonwood	5,525	5,765	5,655	407	413	448	6.9	6.7	7.3
Jackson	4,389	4,642	4,846	436	482	549	9.0	9.4	10.2
Lincoln	2,723	2,955	2,882	218	230	248	7.4	7.2	7.9
Lyon	10,688	11,174	10,806	871	903	994	7.5	7.5	8.4
Murray	3,905	4,158	4,068	444	432	452	10.2	9.4	10.0
Nobles	9,254	9,692	9,265	566	558	650	5.8	5.4	6.6
Pipestone	4,717	4,985	4,643	205	227	236	4.2	4.4	4.8
Redwood	6,529	7,066	6,887	480	507	611	6.8	6.7	8.1
Rock	4,122	4,393	4,115	218	215	233	5.0	4.7	5.4
REGION 9	95,956	101,099	98,017	6,904	6,843	7,667	6.7	6.3	7.3
Blue Earth	26,080	26,729	26,232	1,192	1,347	1,365	4.4	4.8	4.9
Brown	11,929	12,897	11,977	992	890	1,060	7.7	6.5	8.1
Faribault	6,737	7,389	7,272	563	510	685	7.7	6.5	8.6
Le Sueur	8,973	9,390	9,530	1,125	1,106	1,199	11.1	10.5	11.2
Martin	10,504	11,225	10,575	1,033	1,008	1,043	9.0	8.2	9.0
Nicollet	13,371	13,703	13,448	661	667	715	4.7	4.6	5.0
Sibley	5,326	5,769	5,547	597	550	704	10.1	8.7	11.3
Waseca	8,076	8,753	8,408	489	507	581	5.7	5.5	6.5
Watonwan	4,960	5,244	5,028	252	258	315	4.8	4.7	5.9
REGION 10	196,795	205,769	194,705	11,887	11,923	14,390	5.7	5.5	6.9
Dodge	6,510	7,001	6,399	654	642	787	9.1	8.4	11.0
Fillmore	8,701	9,248	8,898	842	701	857	8.8	7.0	8.8
Freeborn	15,359	16,117	15,570	837	908	1,190	5.2	5.3	7.1
Goodhue	18,895	19,485	18,687	1,191	1,211	1,358	5.9	5.9	6.8
Houston	7,559	8,035	7,635	591	532	611	7.3	6.2	7.4
Mower	15,290	16,120	15,768	953	953	1,499	5.9	5.6	8.7
Olmsted	54,838	56,426	53,530	2,338	2,455	2,662	4.1	4.2	4.7
Rice	23,861	25,161	24,088	1,577	1,595	1,917	6.2	6.0	7.4
Steele	14,448	15,223	13,512	747	1,013	1,069	4.9	6.2	7.3
Wabasha	7,514	7,820	7,247	713	661	765	8 7	7.8	9.5
Winona	23,820	25,133	23,371	1,444	1,252	1,675	5.7	4.7	6.7
Rochester City	33,910	34,892	33,101	1,505	1,626	1,730	4.2	4.5	5.0

Note: Add employment and unemployment to calculate civilian labor force.

ROCHESTER MSA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT			PERCENT CHANGE FROM	
	Jan. 1987	Dec. 1987	Jan. 1986	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	57,199	57,912	54,677	-1.2	4.6
Total Manufacturing	10,784	10,753	10,274	0.3	5.0
Durable Goods	9,048	8,989	8,602	0.7	5.2
Nondurable Goods	1,736	1,764	1,672	-1.6	3.8
Total Nonmanufacturing	46,415	47,159	44,403	-1.6	4.5
Construction & Mining	1,544	1,776	1,383	-13.1	11.6
Transp., Comm., & Public Util.	1,706	1,717	1,643	0.6	3.8
Total Trade	11,351	11,763	11,288	-3.5	0.6
Wholesale Trade	1,204	1,252	1,172	-3.8	2.7
Retail Trade	10,147	10,511	10,116	-3.5	0.3
Finan., Insur., & Real Estate	1,559	1,517	1,495	2.8	4.3
Total Services	24,144	24,126	22,665	0.1	6.5
Health Services	17,064	16,944	15,934	0.7	7.1
Other Services	7,080	7,182	6,731	-1.4	5.2
Government	6,111	6,260	5,929	-2.4	-3.1

Employment And Unemployment Generally Drop Over The Month And Year

Allowing for the sampling error inherent in the labor force data, it still seems that while there were generally fewer jobs this January than a month or year ago, the Rochester MSA helped Region 10 create jobs over the year and keep unemployment levels relatively low. The official January jobless rate for the MSA was 4.1 percent, down from 4.7 percent in January 1987, and down from 4.2 percent in December. It was the lowest January rate of the 1980s.

Seasonally, there were 713 fewer jobs in the MSA than during December, but 2,522 (4.6%) more than during January 1987. Meanwhile, unemployment probably declined over the month and year. In the rest of Southern Minnesota unemployment declined only over the year. It rose slightly since December.

The MSA's 4.6 percent increase in nonfarm payroll jobs was spread across all major industries. The most notable gainers were construction and mining and health services. Retail trade grew slowest at 0.3 percent over the year.

Since December, most industries have experienced seasonal job losses. Notable were construction and mining, down 13.1 percent or 768 jobs; and retail trade, down 3.5 percent or 412 jobs.

Viewed over the decade, health services, predictably, has grown fastest of all MSA industries, from 11,544 jobs in 1977 to 16,584 in 1987. That's an average annual growth rate of 4.4 percent compared to 2.5 percent for all industries. In second and third places were other services (3.7% per year) and finance, insurance and real estate (3.1%). Between 1986 and 1987 health services grew by 7.5 percent. Three industries lost jobs over the decade: construction and mining, from 1,912 jobs to 1,823; transportation, communications and public utilities, from 1,770 to 1,673; and government, from 6,048 to 5,910.

Research Summaries and The Job Market

By Ron Daws and Bruce Steuernagel

Introduction

With the release of the January 1988 data in this issue, we introduce the annual revision of nonagricultural wage and salary employment, hours and earnings estimates. This issue's Research Summary and Job Market sections are devoted to a brief presentation of the Current Employment Statistics Program, the benchmark process, and the revised 1986 and 1987 annual average employment figures for the state and metropolitan areas.

Employment, hours and earnings data are collected on the Current Employment Statistics (CES) Program reports which shuttle back and forth each month from sample firms to a unit of the Research Office. The data on the reports are examined for accuracy and completeness, and then metropolitan area and state estimates are made. The establishment data are also sent to the Bureau of Labor Statistics (BLS) in Washington D.C. for use in preparing national estimates. As of December 1987, there were about 6,500 firms in the Minnesota sample. The CES sample represents approximately 5 percent of the establishments and 35 percent of the employment in the state. There are nearly 1,000 manufacturing firms in the CES sample, representing 12.5 percent of the establishments and over 50 percent of the employment. The trade and services samples have nearly 2,000 firms in each but represent only less than 5 percent of the total number of firms and less than 25 percent of the employment.

The CES Program develops data which allows us to track trends in industry employment throughout the country. Because a sample of firms is used, we are able to estimate employment levels and changes on a relatively current basis, generally within a month of the reference point. However, as with all sample-based estimates, there are sample and reporting errors which can affect the accuracy of the estimates. For this reason, the monthly estimates are revised periodically.

The Benchmark Process

Each year, the employment estimates based on the sample of firms are compared to a benchmark (a more comprehensive count of wage and salary employment) and revisions are made. The benchmark used is the Quarterly Report of Covered Employment and Payroll, also called the ES-202. The ES-202 is produced by the Research Office in cooperation with BLS. This is a count of all firms in the state who are covered under the Minnesota Employment Services Law (unemployment insurance). As of the second quarter of 1987 there were about 110,000 establishments in the state covered by the law, or approximately 97 percent of all nonagricultural wage and salary jobs. In those industries not covered by the Minnesota law, such as railroad transportation, other government surveys and special employment surveys provide information used to complete the benchmark process. Average weekly hours and average hourly earnings are estimated directly from reported figures in the sample cells and are not benchmarked.

The current revisions are based on the June 1987 benchmark employment, the most recent month for which ES-202 data are available. The revisions affect the employment estimates from July 1986 forward. Estimates from July 1987 have been linked to the June 1987 benchmarks and carried forward by the estimating methodology. Estimates for the second half of 1987 will be revised again as a part of the 1988 benchmark process.

A Report Card

Table 1 compares the original June 1987 estimate of industry employment with the benchmarked figure. As the table

shows, the original figures underestimated the level of nonagricultural jobs by about 20,000 or 1.0 percent. This year's differences were relatively greater than in 1986 when the original estimate was 2,700 greater than the benchmark, a mere 0.1 percent difference. Since 1979, the average percent difference between the total nonagricultural benchmark and the original estimate has been 0.3 percent. The range has been from 1.5 percent in 1979 to -0.1 percent in 1986. For the metropolitan areas, the differences between the estimates and the benchmark this year ranged from 4.2 percent in the Duluth-Superior area to 0.3 percent in St. Cloud and Rochester.

The large revision in the Duluth-Superior estimates was primarily due to a special situation involving a change in the way state education employment in Douglas County, Wisconsin is estimated. If this change had not been made, the difference between the benchmark and original estimate would have been 1.9 percent.

Table 1. Differences between Minnesota nonagricultural employment benchmarks and estimates by industry, June 1987 (Numbers in thousands)

	Benchmark	Estimate	Difference #	Difference %
TOTAL, ALL INDUSTRIES	1,982.0	1,962.1	20.2	1.0
TOTAL PRIVATE	1,666.1	1,645.4	20.7	1.3
Mining	6.8	7.0	-0.2	-2.9
Construction	88.4	88.0	0.4	0.5
Manufacturing	378.7	374.4	4.3	1.1
TCPU 1/	100.1	98.4	1.7	1.7
Wholesale Trade	121.5	119.7	1.8	1.5
Retail Trade	373.2	366.8	6.4	1.7
FIRE 2/	120.7	121.7	-1.0	-0.8
Services	476.7	469.5	7.2	1.5
Government	315.9	316.4	-0.5	-0.2

1/ TCPU = Transportation, Communication, Public Ultilities

2/ FIRE = Finance, Insurance, Real Estate

Table 2 presents the revised 1986 and 1987 annual average data by major industry for the state and metropolitan areas. The U.S. data are also presented for comparison, although the national data have not been benchmarked. In contrast to 1986, total nonagricultural wage and salary employment in Minnesota grew faster than the national average in 1987. This turnaround was due to improvement in the demand for manufactured goods as the year progressed, as well as stronger growth in the retail trade and services categories. In 1986, Minnesota's employment in durable goods manufacturing industries dropped more sharply than the national average because of a 12 percent cutback in employment in the computer industry. This streamlining was the result of mergers and cost saving strategies involving Unisys and Control Data. In 1987, employment in durable goods manufacturing increased slightly despite a continuing although smaller cutback in the computer industry. Job growth was particularly strong in the wood products, electrical equipment, and transportation equipment industries. The nondurable goods manufacturing industries continued to expand faster than the national average thanks to growth in the printing and publishing industry, as well as in chemical and plastic products firms.

The construction industry in Minnesota showed a much stronger growth rate in 1987 than the national average. However, in contrast to the manufacturing sector which grew faster as 1987 progressed, job growth in the construction industry began to cool as the year went on. Residential construction in Minnesota during 1987 roughly matched the level during 1986, but commercial activity probably slowed as projects were moving towards completion while new projects were coming on stream more slowly because of a surplus of office and retail space and changes in the tax laws.

Continued on page 19.

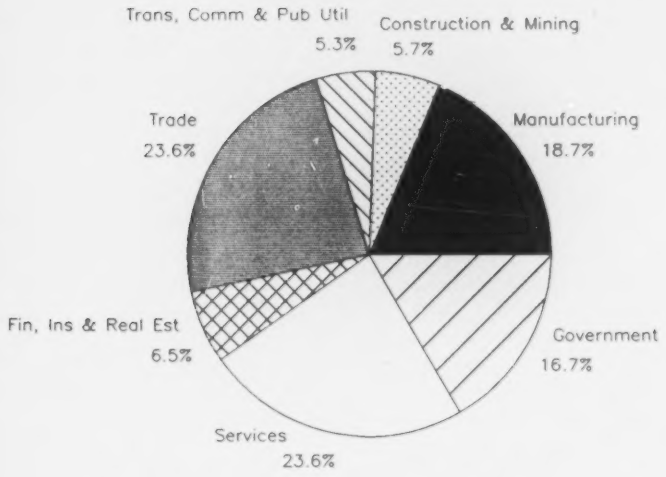
Table 2. Comparison of Employment Changes, 1985-1987
United States, Minnesota, MSA's

INDUSTRY	UNITED STATES EMPLOYMENT 1986 (000's)	UNITED STATES EMPLOYMENT 1987 (000's)	UNITED STATES PERCENT CHANGE 1985-86	UNITED STATES PERCENT CHANGE 1986-87	MINNESOTA EMPLOYMENT 1986 (000's)	MINNESOTA EMPLOYMENT 1987 (000's)	MINNESOTA PERCENT CHANGE 1985-86	MINNESOTA PERCENT CHANGE 1986-87	MINNEAPOLIS-ST. PAUL MSA EMPLOYMENT 1986 (000's)	MINNEAPOLIS-ST. PAUL MSA EMPLOYMENT 1987 (000's)	MINNEAPOLIS-ST. PAUL MSA PERCENT CHANGE 1985-86	MINNEAPOLIS-ST. PAUL MSA PERCENT CHANGE 1986-87
TOTAL, ALL INDUSTRIES	99,610	102,105	2.1	2.5	1,892.5	1,959.5	1.5	3.5	1,232.8	1,281.2	1.8	3.9
MANUFACTURING	18,994	19,112	-1.4	0.6	369.1	374.9	-1.7	1.6	251.3	253.7	-2.4	1.0
DURABLE	11,244	11,235	-2.1	-0.1	219.1	221.4	-3.2	1.0	157.6	157.6	-3.7	0.0
NONDURABLE	7,750	7,876	-0.3	1.6	150.0	153.5	0.7	2.3	93.7	96.1	-0.2	2.6
NONMANUFACTURING	80,616	82,993	3.0	2.9	1,523.4	1,584.6	2.3	4.0	981.5	1,027.5	2.9	4.7
MINING	783	742	-15.5	-5.2	6.5	6.0	-21.7	-7.7	0.8	0.6	0.0	-25.0
CONSTRUCTION	4,904	5,032	4.9	2.6	75.0	81.9	5.2	9.2	49.3	53.7	5.6	8.9
TCPU	5,244	5,377	0.1	2.5	98.0	100.4	-0.4	2.4	67.3	69.9	0.4	3.9
TRADE	23,580	24,056	2.2	2.0	471.1	488.1	1.2	3.6	303.1	315.9	2.0	4.2
WHOLESALE	5,735	5,797	0.3	1.1	118.0	120.9	1.5	2.5	80.5	83.1	2.3	3.2
RETAIL	17,845	18,259	2.8	2.3	353.0	367.2	1.1	4.0	222.5	232.7	1.8	4.6
FIRE	6,297	6,588	5.7	4.6	115.2	119.8	4.4	4.0	88.9	93.2	5.5	4.8
SERVICES	23,099	24,136	5.0	4.5	449.7	474.2	3.5	5.4	306.0	322.8	3.4	5.5
GOVERNMENT	16,711	17,063	1.9	2.1	307.9	314.2	2.2	2.0	166.1	171.4	2.7	3.2

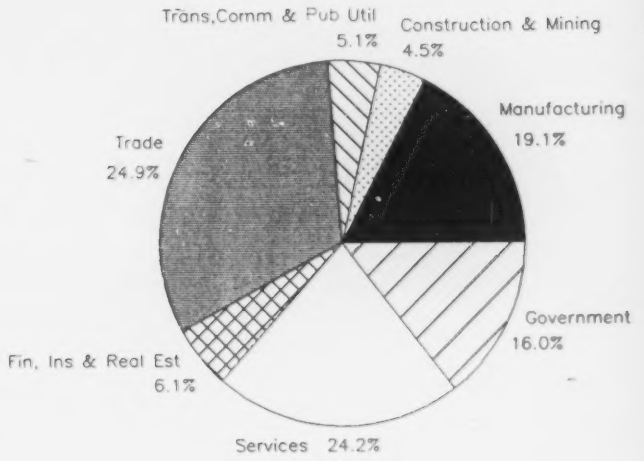
INDUSTRY	DULUTH-SUPERIOR MSA EMPLOYMENT 1986 (00's)	DULUTH-SUPERIOR MSA EMPLOYMENT 1987 (00's)	DULUTH-SUPERIOR MSA PERCENT CHANGE 1985-86	DULUTH-SUPERIOR MSA PERCENT CHANGE 1986-87	ST. CLOUD MSA EMPLOYMENT 1986 (00's)	ST. CLOUD MSA EMPLOYMENT 1987 (00's)	ST. CLOUD MSA PERCENT CHANGE 1985-86	ST. CLOUD MSA PERCENT CHANGE 1986-87	ROCHESTER MSA EMPLOYMENT 1986 (00's)	ROCHESTER MSA EMPLOYMENT 1987 (00's)	ROCHESTER MSA PERCENT CHANGE 1985-86	ROCHESTER MSA PERCENT CHANGE 1986-87
TOTAL, ALL INDUSTRIES	86.8	88.4	4.5	1.8	66.0	68.9	5.8	4.4	55.1	56.7	0.0	2.9
MANUFACTURING	7.2	7.5	2.9	4.2	11.4	11.8	5.6	3.5	10.8	10.6	-3.6	-1.9
DURABLE	4.1	4.0	2.5	-2.4	6.4	6.6	4.9	3.1	9.0	8.8	-4.3	-2.2
NONDURABLE	3.1	3.5	3.3	12.9	5.0	5.1	6.4	2.0	1.8	1.8	0.0	0.0
NONMANUFACTURING	79.6	80.9	4.6	1.6	54.6	57.1	5.8	4.6	44.3	46.1	0.9	4.1
MINING AND CONSTRUCT.	7.4	8.2	-3.9	10.8	3.4	3.9	6.2	14.7	1.8	1.8	-5.3	0.0
TCPU	5.8	5.8	-4.9	0.0	3.5	3.4	-2.8	-2.9	1.7	1.7	-10.5	0.0
TRADE	21.6	21.9	0.0	1.4	20.0	21.0	9.9	5.0	11.2	11.5	-0.9	2.7
WHOLESALE	3.5	3.5	-2.8	0.0	3.2	3.4	6.7	6.2	1.2	1.2	0.0	0.0
RETAIL	18.1	18.4	0.6	1.7	16.8	17.6	10.5	4.8	10.0	10.3	-1.0	3.0
FIRE	3.1	3.1	3.3	0.0	2.4	2.3	14.3	-4.2	1.6	1.5	6.7	-6.3
SERVICES	19.9	20.5	2.1	3.0	13.5	14.2	4.7	5.2	22.3	23.7	2.8	6.3
GOVERNMENT	21.8	21.5	5.3	-1.4	11.9	12.2	3.5	2.5	5.8	5.9	3.6	1.7

Percent Distribution Of 1987 Industry Employment

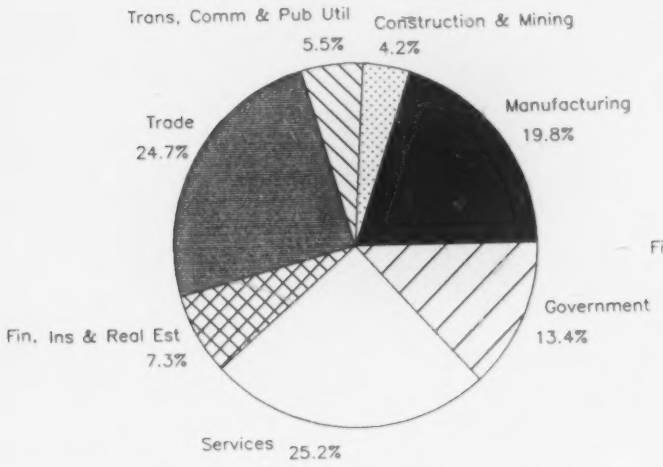
UNITED STATES



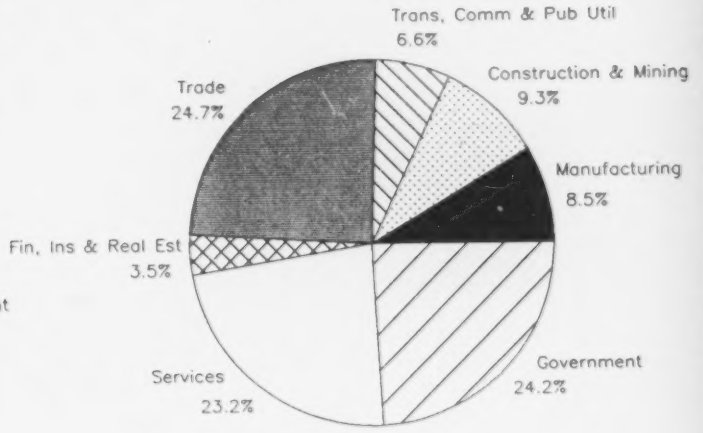
MINNESOTA



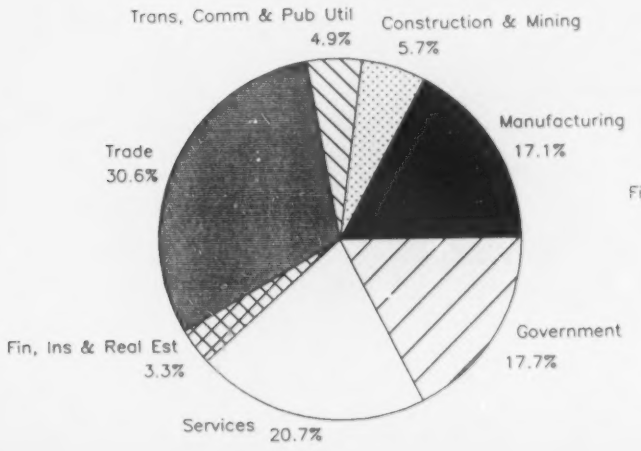
MINNEAPOLIS-ST. PAUL MSA



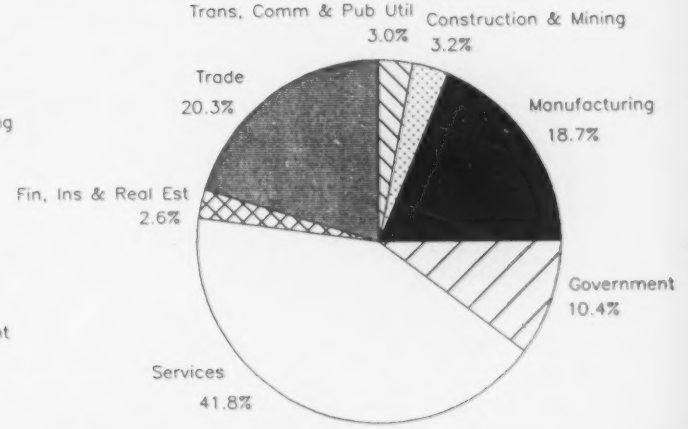
DULUTH-SUPERIOR MSA



ST. CLOUD MSA



ROCHESTER MSA



SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, FEBRUARY 1988

By Mike Casey

	SHORTAGE OCCUPATIONS	SURPLUS OCCUPATIONS
MINNESOTA:	food service workers #, nursing (RN, LPN, aides), automotive/diesel mechanics, retail clerks #, engineers	clerical (inexperienced) #, construction laborers #, general laborers #
CENTRAL MINNESOTA:	food service workers #, retail clerks	clerical (inexperienced) #
MINNEAPOLIS-ST. PAUL:	food service workers #, engineers	general laborers #
NORTHEASTERN MINNESOTA:	medical technicians, nursing (RN, LPN, aides)	clerical (inexperienced) #, construction laborers, general laborers #
NORTHWESTERN MINNESOTA:	food service workers #, mechanics	construction laborers #, clerical (inexperienced), skilled construction workers
SOUTHERN MINNESOTA:	food service workers #, over-the-road truck drivers #, machinists, commissioned sales representatives	clerical (inexperienced) #, general laborers food processing workers

* Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Forecasts of GNP and Minnesota Payroll Employment

By Charles Cline

Our forecasts for periods from the first quarter of 1988 (88-1) through the first quarter of 1990 (90-1) show reduced-rates of growth for the first year forecast period (88-1 through 89-1) with small increases in the growth rate for the second year forecast period (89-1 through 90-1). This applies to both Real GNP and to total Minnesota nonfarm employment. So expect only sluggish growth over the next twelve months.

Real GNP is forecasted to grow at a rate of 5.05 percent in the first year and 2.90 percent in the second year period. By way of contrast the average of eight forecasts published by the Conference Board suggests a 1.61 percent growth rate for the first year period. As we have argued before, however, what is of interest is the trend in rates. Our rate of 5.05 percent is down from the 5.37 percent rate of growth forecasted for the first year period in the last issue of this publication.

The rate for the second year period is 2.90 percent, up slightly from the second year growth rate reported last issue. But this increase is small, up from 2.27 percent previously.

The story is similar for total Minnesota nonfarm employment. The first year growth rate is slightly lower that reported last issue (4.75 percent compared to 5.11 percent), while the second year period shows a sliver of an increase (3.87 percent compared to 3.80 percent).

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1987:4	3,877.90	2,003.30	6.58	86.18	379.56	102.63	498.14	121.09	484.96	324.17
Forecasts										
1988:1	3,931.33	1,967.68	5.96	66.53	375.33	101.18	483.50	121.36	484.28	327.14
1988:2	3,982.64	2,041.56	6.77	84.44	384.72	103.40	505.82	124.20	501.01	329.35
1988:3	4,039.22	2,067.22	6.96	98.83	402.18	103.57	512.90	126.00	509.39	303.32
1988:4	4,084.73	2,100.36	6.63	92.65	399.13	107.12	519.21	125.86	514.50	322.14
1989:1	4,129.87	2,061.11	6.24	69.98	397.00	105.28	502.79	126.22	512.92	335.34
1989:2	4,164.69	2,138.52	7.13	87.78	406.46	107.63	526.46	129.02	530.96	337.34
1989:3	4,196.24	2,164.36	7.19	101.92	424.53	107.93	532.46	130.90	537.78	311.73
1989:4	4,224.19	2,193.47	6.77	94.30	419.10	111.30	539.13	130.68	543.38	339.94
1990:1	4,249.71	2,140.84	6.36	70.06	413.77	108.62	519.93	130.91	539.94	342.96

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Feature Article

By Ron Pederson

The Trade Act of 1974: Foreign Imports and Their Impact on Minnesota Industry

Introduction

Throughout the history of the United States the importation of foreign made goods has been a recurring and vexing problem. From the earliest debates concerning a tariff for revenue versus a tariff for protection of nascent industries, the American economy has been affected by foreign made goods. American history is littered with attempts to come to grips with this problem. Terms such as Non-Intercourse Act, Tariff of Abominations, Nullification Crisis, McKinley Tariff, Smoot-Hawley, Quotas, and Most-Favored-Nation illustrate the long and varied history of this subject. One of the latest attempts to moderate the impact of foreign imports is the Trade Act of 1974.

This article is based on data collected for the Federal Trade Act of 1974 over the period October 1977 to October 1987. The data are used to present a review of Trade Act activity and to examine how foreign imports have impacted on Minnesota employment.

The Act

The Trade Act of 1974 is intended to aid the workers of industries who have lost their jobs due to competition from foreign made goods. The Trade Act (TA) is administered by the United States Department of Labor (DOL) and its associated state employment security agencies. In Minnesota the assistance to workers is provided by the Minnesota Department of Jobs and Training.

To become eligible for TA assistance the separated workers must petition the Department of Labor. The DOL then reviews the request and issues a certification or a denial of eligibility for workers at a specific employing establishment. If certified, parameters are set stating that the loss of jobs was due to the importation of foreign made goods between two set dates. Individuals laid off in that period are then declared eligible and entitled to various types of assistance.1/ The assistance includes: basic weekly benefits (after exhaustion of regular unemployment insurance), additional weekly benefits while in approved training, vocational or career counseling, placement services, paid tuition in an approved training program, allowances for job search activities and relocation expenses. In essence the Trade Act recognized the futility of the attempt to limit or ban all foreign made goods. It emphasizes benefits and retraining for laid-off workers as the best vehicle to renewed productivity.

Minnesota Activity

Statistical data on the Trade Act were first collected beginning October 1, 1977. Since that date 88 certifications for the workers of 77 Minnesota firms have been issued. The certifications may be grouped, for convenience, in 4 categories. Thirty-five were for manufacturers of clothing, 22 were for the workers in the iron ore industry or related industries, and 10 were for automobile manufacturing and marketing. The remaining 21 firms were in various types of manufacturing ranging from plastic dishes to electronic components.

While the number of certifications was minimal, compared to the total number of employing establishments, a substantial number of individuals were affected. During the course of this program there were 11,410 entitlements for benefits.2/ The most prevalent benefits applied for were the monetary allowances for weeks paid while in training. These benefits totaled $27.4 million for the entire period. The levels of payment varied from year to year depending on the wage level of the workers involved.

1/ The Trade Act has been amended during its existence. The amendments primarily affected eligibility criteria and level of benefits.

2/ Source ETA 5-63 Reports from October 1977 through September 1987.

A total of 2,111 individuals of those entitled entered approved training programs. Training costs and related costs totaled $4.2 million. Relocation allowances totaling $1.5 million were paid for 765 individuals.

The following is a brief summary of activities by fiscal year (FY) of the Trade Act.3/ The summation focuses on the type of industry and the fluctuation in weekly benefits paid.

Trade Act activity first occurred in Minnesota during FY 1978. During that year the primary recipients of benefits were workers involved in iron ore mining, steel manufacturing, and the assembling of electronic components. The certifications for the iron ore industry and the steel industry were in Northeast Minnesota while the certification for electronic component assembling was located in the southern section of the state.

Fiscal year 1979 shows that a majority of the activity was associated with manufacturing of clothing in small communities throughout the state. Average weekly benefits paid declined substantially from the previous year because of the lower wage scale of the workers in the clothing manufacturing industry.

FY 1980 was a complete reversal of the previous year as the average weekly benefit amount more than doubled. The increase happened because workers in the transportation vehicle assembly industry became eligible for benefits. These individuals were working under a strong collective bargaining contract and had a much higher wage rate than the clothing workers. Also, for the first time the majority of the eligible workers were in the Twin Cities metropolitan area.

The following year, FY 1981, was a continuation of the previous year. The average weekly benefit payment remained high because of the transportation equipment assemblers' higher wage rate. Also, during the year a number of petitions for workers in the transportation marketing field were certified. The entitlement of workers in marketing helped to underscore the effect foreign imports had on the automotive industry.

Fiscal year 1982 data reveal a precipitous drop in total benefits paid as well as in the average weekly benefit amount. This was due to administrative changes in eligibility and benefits which became effective October 1, 1981. Trade Act regulations were made considerably more stringent. The year also saw the disappearance of the transportation workers and the reappearance of the lower paid clothing industry workers in Trade Act activity. The lower wage rate of the latter contributed to the decline in the average weekly benefit amount.

FY 1983 shows the average weekly benefit amount beginning to increase. The upward swing was a result of workers in the iron ore industry again becoming eligible for benefits. The wage rate of these workers was considerably higher than that of the clothing workers. By the end of the year the clothing industry workers had virtually exhausted all eligibility weekly monetary benefits.

Data for FY 1984 reveal a steep increase in the total benefit amount paid, reaching almost three times that of the previous fiscal year. The recipients were almost exclusively from the high wage paying iron mining industry.

FY 1985 shows a large drop in activity levels. The drop was due to the expected expiration of the Trade Act and doubts about its renewal. The workers in the iron ore industry continued to be the primary recipients of Trade Act benefits paid. The year also saw an increase of activity for workers in the Twin Cities area.

3/ Trade Act statistical data are kept on a federal fiscal year basis. Federal fiscal years (FFY) begin on October 1, and end on September 30. Hence, FFY 78 began on October 1, 1977 and ended on September 30, 1978.

Activity dramatically increased during FY 1986. This mainly occurred because the Trade Act was extended for an additional five years. During this period the primary recipients of weekly benefits were manufacturing workers located in the Twin Cities area. Many of these workers were in the electronic component industries.

FY 1987 reveals a continuing increase in activity. This is due to the entitlement of additional workers in the iron ore industry. These individuals received 60.1 percent of total weekly benefits paid. The remaining workers were primarily located in the Twin Cities area.

The data indicate that most people entitled to benefits opted for immediate short-term monetary benefits and chose not to take advantage of retraining or relocating. Specific data on why people chose short-term benefits over long-term benefits are lacking. However, it appears likely that most individuals hoped that the layoffs would be temporary or found other work in the immediate area.

For example, when layoffs first occurred in the iron ore industry, very few individuals took advantage of retraining opportunities or relocation allowances. In fact, many did return to work albeit for brief intervals. As layoffs became more frequent, the workers realized the permanence of the situation and more use was made of retraining and relocation benefits. Overall, the vast majority of individuals in training and those who relocated were workers from the iron ore industry.

The automotive assembly workers were more fortunate. The manufacturer temporarily shut down, changed product lines, and reopened. The majority of these workers returned to their old employer.

Many of the clothing manufacturing workers were located in small communities scattered throughout Minnesota. Few of those individuals used retraining or relocation benefits. These jobs were typically at a low wage rate. It is assumed that the workers found jobs at a comparable wage level or at least remained in their home area.

Geographic Distribution and Impact on Employment by Industry

Over the period October 1977 to October 1987 workers who lost their jobs due to foreign imports had work locations in 25 of Minnesota's 87 counties. (See Table A county data.) The largest concentration was in St. Louis County which had 27 certifications. The firms affected were

Table A

Certifications and Entitlements
by County of Work Site, Oct. 1977-Sept. 1988

County	Certifications	Entitlements
Anoka	3	147
Beltrami	2	169
Cottonwood	1	81
Crow Wing	5	108
Hennepin	21	945
Hubbard	1	60
Itasca	1	61
Kandiyohi	1	18
Lake	3	539
Le Sueur	1	77
Mille Lacs	1	80
Morrison	1	152
Nicollet	1	14
Otter Tail	2	152
Pennington	1	10
Ramsey	7	2,572
Renville	1	55
St. Louis	27	5,454
Sibley	1	115
Stearns	2	135
Swift	1	145
Todd	1	44
Waseca	1	136
Winona	1	89
Wright	1	52
Totals	**88**	**11,410**

Table B

Covered Employment Changes
of Industries Affected by the Trade Act 1/

Industry Description 2/	January 1977 No. of Firms	January 1977 Employment	January 1987 No. of Firms	January 1987 Employment	October 1977-87 Number of Trade Act Certifications	October 1977-87 Number of Firms Certified
Metal Mining	37	14,299	28	3,462	17	10
Textile Mill Products	27	2,915	35	1,976	6	6
Apparel and Other Finished Products, Made From Fabrics and Similar Products	146	6,612	193	2,621	28	26
Printing, Publishing and Allied Industries	1,065	27,597	1,506	43,90	1	1
Rubber & Miscellaneous Plastic Products	222	10,123	322	12,532	1	1
Leather and Leather Products	24	1,961	23	1,686	1	1
Primary Metal Industries	92	5,716	120	6,173	1	1
Fabricated Metal Products Except Machinery and Transportation Equipment	582	31,442	660	32,370	3	2
Machinery, Except Electrical	1,004	67,652	1,372	79,597	8	8
Electrical and Electronic Machinery, Equipment and Supplies	238	24,203	375	26,953	3	3
Transportation Equipment	144	10,671	165	9,425	1	1
Measuring, Analyzing and Controlling Instruments; Photographic, Medical and Optical Goods; Watches and Clocks	176	20,657	265	29,818	1	1
Railroad Transportation	INA	INA	INA	INA	2	1
Water Transportation	86	1,298	96	677	1	1
Communication	572	17,885	701	18,628	1	1
Wholesale Trade-Durable Goods	5,236	56,975	6,951	67,313	10	10
Business Services	2,636	37,000	5,837	84,676	1	1
Miscellaneous Repair Services	818	3,628	987	4,508	1	1
Miscellaneous Services	1,315	12,332	2,165	18,968	1	1
Total	---	---	---	---	88	77

1/ Source: ES-202 January 1977, and January 1987.
Includes those covered by Minnesota Employment Services Law.

2/ Standard Industrial Classification Manual 1972

primarily in the iron ore industry and related industries. Most were located in Iron Range communities. The other affected firms were: seven clothing manufacturing locations, three miscellaneous manufacturers and one steel mill. These were primarily located in Duluth. A review of Table B shows that employment in the iron ore industry and manufacturing of clothing had significant declines over the period under review. St. Louis County had the largest share of jobs lost due to foreign competition. The neighboring counties of Lake and Itasca, with three and one certifications respectively, also suffered major job loses in the iron ore industry. All totaled, 5,107 of all eligibility entitlements were in the iron ore industry or related industries. Workers in the clothing manufacturing industry accounted for another 570 entitlements within St. Louis County.

Hennepin County had the second greatest concentration of firms certified. The majority of the workers involved either manufactured cookware for microwave ovens or assembled electronic components. These two groups accounted for 603 of the entitlements. Clothing industry workers totaled 168 entitlements.

Ramsey County had seven certifications. Automotive assembly workers formed the largest group of affected workers. As noted earlier these individuals returned to work. The remaining jobs affected were in various manufacturing occupations.

In the remaining counties there were usually one or two certifications. The workers were generally involved in the clothing industry or light manufacturing industry.

Summary

As described in this article the Trade Act of 1974 is a program that identifies and provides assistance to workers who lost their jobs due to competition from foreign made goods. In Minnesota job loss has mostly occurred in the iron ore industry and clothing manufacturing industry. In the iron ore industry the jobs had relatively high wage rates. There were few jobs in the immediate area to absorb these workers. These workers made the greatest use of training opportunities and relocation allowances.

The jobs in the clothing industry had relatively low wage rates. These jobs were scattered throughout Minnesota. Since they were not highly concentrated chances for employment in the immediate area increased.

The jobs in other types of manufacturing caused various degrees of job loss. Some jobs were lost permanently while others were temporary ●

Continued from page 10.

The transportation and communication industries also bounced back from job cutbacks in 1986 caused by the merger of Republic and Northwest Airlines and changes in the telephone communications field. Meanwhile, retail trade and services employment showed healthier growth in 1987 compared to 1986. These sectors may have benefited from an apparently stronger financial picture in the state's agricultural sector. In recent years farmers have been watching expenses closely, which cutback spending on main street.

In the government sector, most of the growth was concentrated in local government units, particularly local public schools. Nearly two-thirds of the additional jobs in the public sector were added in the state and local education units. Nevertheless public employment grew at a slower than average rate in 1987 ●

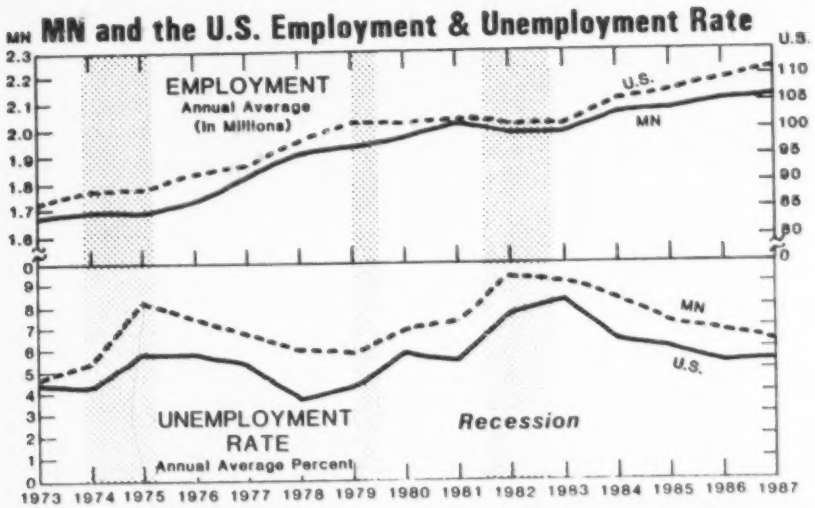
Statistical Section

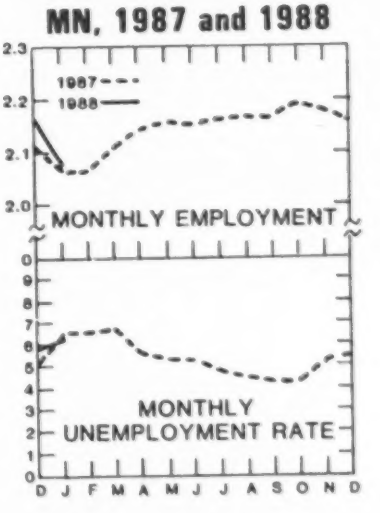
Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	January 1988	Change From Last Mo.	Change From Year Ago	January 1988	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,223.9	-75.8	9.8	119.7	-0.5	2.0
Employed	2,088.3	-76.6	19.3	112.1	-1.5	3.1
Unemployed	135.6	0.8	-9.4	7.6	1.1	1.0
Unemployment Rate						
Actual	6.1	0.2	-0.5	6.3	0.9	-1.0
Seasonally Adjusted	n.a.	n.a.	n.a.	5.8	0.0	-0.9

* Components may not add to Civilian Labor Force due to rounding.

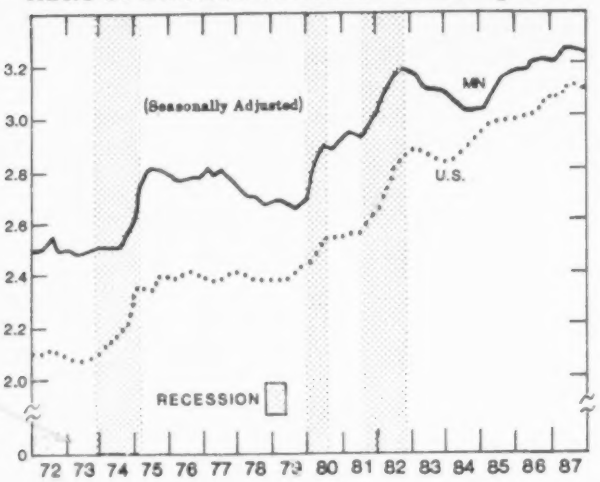
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment Number	Unemployment Rate	Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.6
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1998.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2227.0	2086.0	141.0	6.3	113.5	105.0	8.5	7.5
1985	2223.0	2091.0	133.0	6.0	115.5	107.2	8.3	7.2
1986	2230.0	2111.0	119.0	5.3	117.8	109.6	8.2	7.0
1987	2259.0	2137.0	122.0	5.4	119.9	112.4	7.4	6.2

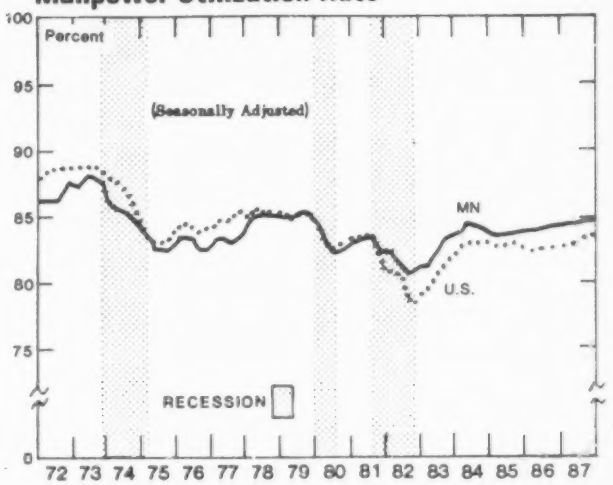




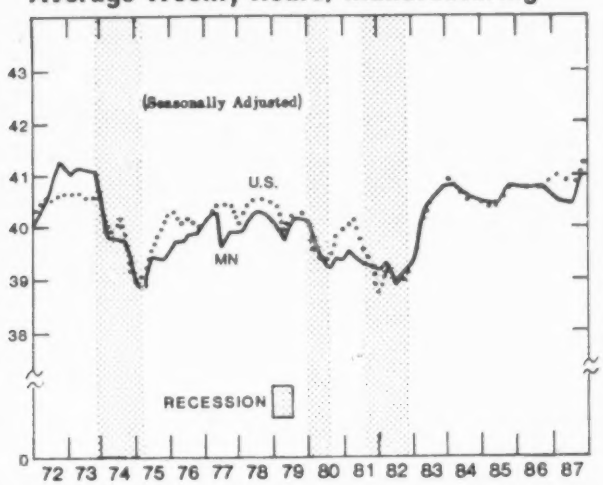
Ratio of Services to Goods Producing Jobs



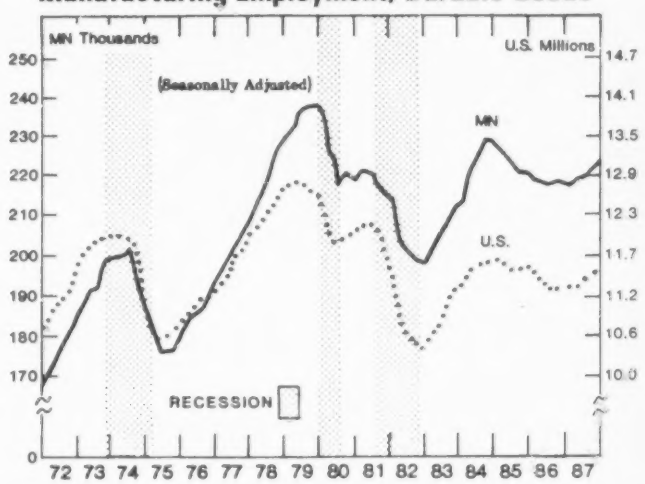
Manpower Utilization Rate



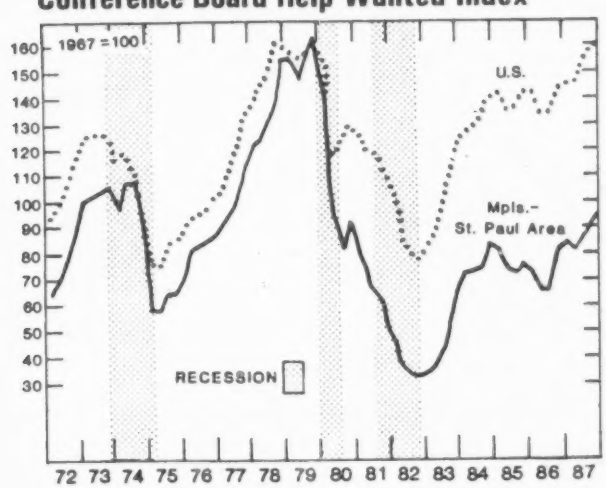
Average Weekly Hours, Manufacturing



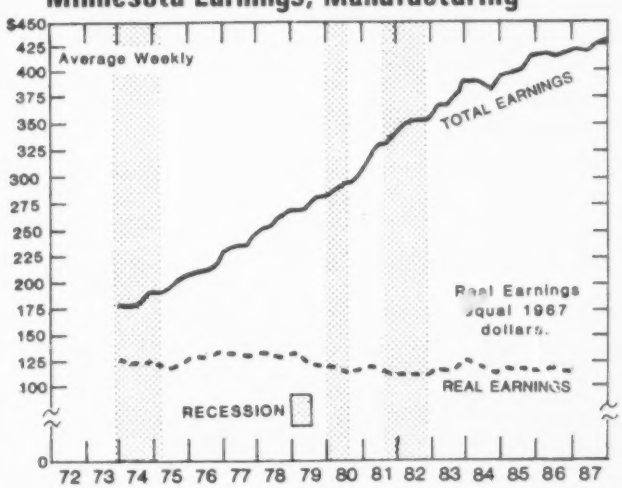
Manufacturing Employment, Durable Goods



Conference Board Help Wanted Index



Minnesota Earnings, Manufacturing

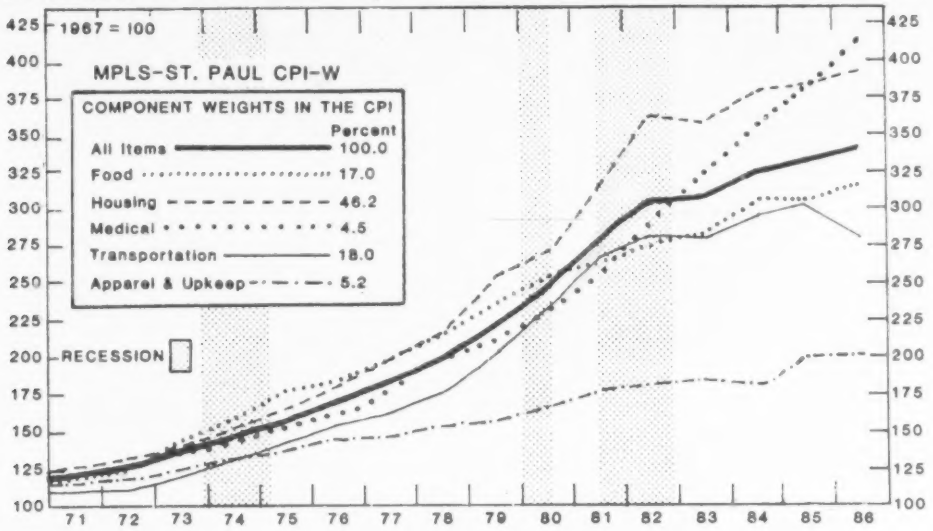


Unemployment Insurance Claimaints in Minnesota

Characteristics	FOURTH QUARTER 1987			JANUARY 1988			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	22,039	55.7	-15.4	45,769	35.2	-2.5	6.5
Under 45	16,927	59.9	-15.1	35,255	34.7	-2.1	6.1
16-24	3,168	104.8	-17.8	6,906	32.5	-9.1	4.3
25-34	8,495	56.7	-13.1	17,729	35.8	-1.0	6.1
35-44	5,264	45.4	-16.7	10,620	34.4	0.9	7.5
45 and Over	5,112	43.5	-16.4	10,514	36.7	-3.6	7.6
45-54	3,073	46.3	-13.3	6,311	36.1	-2.1	7.2
55 and Over	2,039	39.5	-20.6	4,203	37.5	-5.8	8.2
Female	9,701	-9.8	-5.9	11,925	11.5	-7.2	19.7
Under 45	7,177	-7.5	-5.6	8,717	10.2	-7.1	19.3
16-24	1,240	12.2	-16.4	1,655	12.3	-15.0	12.9
25-34	3,467	-9.4	-3.5	4,134	9.2	-5.6	20.4
35-44	2,470	-12.6	-2.3	2,928	10.5	-4.1	21.2
45 and Over	2,524	-15.8	-6.9	3,208	15.0	-7.5	20.8
45-54	1,535	-14.4	-0.5	1,910	14.2	-1.7	20.1
55 and Over	989	-17.9	-15.3	1,298	16.2	-14.8	21.8
By Industry	**31,740**	**27.4**	**-12.7**	**57,694**	**29.5**	**-3.5**	**9.2**
Ag., For., Fish.	959	288.3	-2.2	2,202	21.1	3.8	1.8
Mining	417	36.7	-85.4	1,099	20.1	-65.0	1.9
Construction	8,615	188.5	11.9	23,756	50.0	20.5	2.4
Manufacturing	7,253	5.0	-23.9	11,219	26.7	-20.5	12.6
Pub. Utilities	1,309	11.8	-10.6	2,388	30.1	-11.0	10.5
Wholesale Trade	1,837	2.7	-16.5	2,557	15.8	-17.5	18.0
Retail Trade	3,142	-3.1	-13.6	4,410	20.1	-10.6	16.0
Fin., Ins., Real Est.	1,431	21.8	56.4	1,665	2.7	57.2	24.8
Services	5,446	-11.5	-2.6	6,569	7.8	-3.0	19.3
Public Admin.	842	76.2	-13.7	1,078	0.5	-18.6	14.8
Inf. Not Available	489	9.4	-6.7	751	20.7	-8.0	1.4
By Occupation	**31,740**	**27.4**	**-12.7**	**57,694**	**29.5**	**-3.5**	**9.2**
Prof., Tech., Mgr.	5,452	-12.8	1.4	5,917	4.4	-1.7	26.3
Clerical	3,533	-9.7	-4.6	3,997	7.9	-4.7	25.2
Sales	1,307	0.2	-14.0	1,612	11.3	-12.8	22.6
Services	2,119	9.3	-12.0	2,714	9.3	-11.5	15.6
Farm., For., Fish.	882	421.9	0.5	1,945	19.0	6.8	2.6
Processing	1,057	-4.4	6.9	2,089	55.5	-23.3	6.5
Machine Trade	1,570	6.6	-30.5	2,410	25.1	-25.2	12.2
Benchwork	2,511	12.3	-22.7	3,371	9.7	-15.6	11.2
Structural Work	8,916	154.7	0.4	24,215	50.7	14.9	2.5
Misc.	4,234	48.5	-39.1	9,163	30.5	-20.9	5.3
Inf. Not Available	159	0.0	-4.2	261	35.2	17.6	12.5
By Duration	**31,740**	**27.4**	**-12.7**	**57,694**	**29.5**	**-3.5**	-
0-14 Weeks	26,772	42.1	-11.3	52,386	31.7	-2.2	-
15+ Weeks (Long-Term)	4,968	-18.0	-19.6	5,308	11.3	-14.6	-

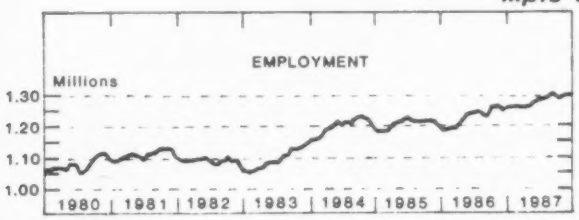
The above table includes data on those claiming benefits from the regular state program. Federal employees and veterans are excluded, and recipients of those programs are in effect. benefits from extended programs are reported only when

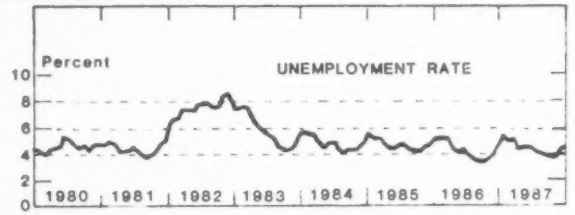
Consumer Price Index–Major Components *(Annual Averages)*



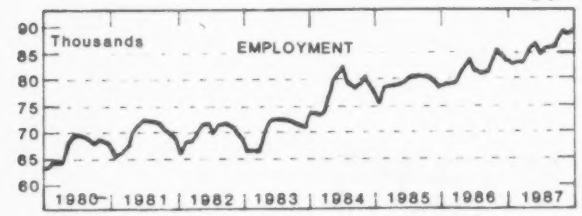
Employment and Unemployment Rates for MN Metro Areas

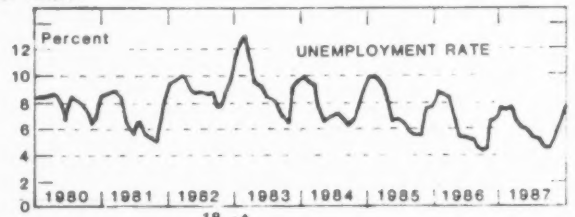
Mpls-St. Paul MSA



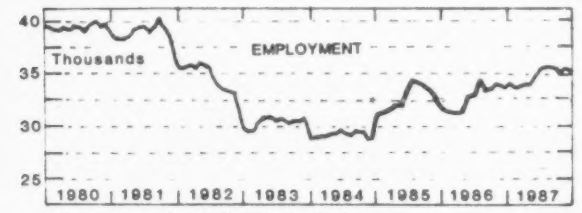


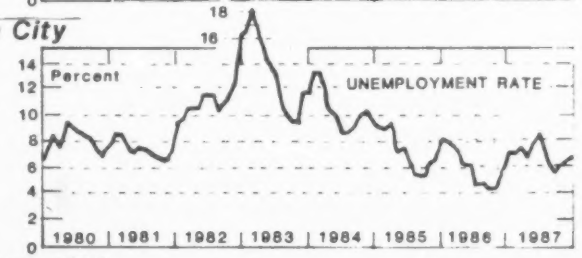
St. Cloud MSA





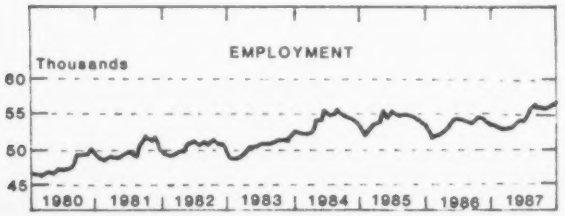
Duluth City

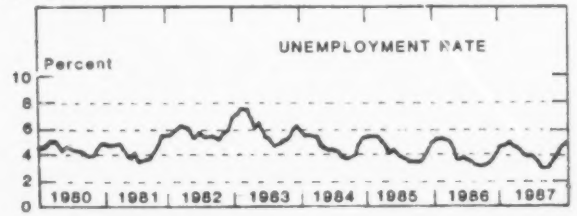




* Break in series beginning in 1985.

Rochester MSA



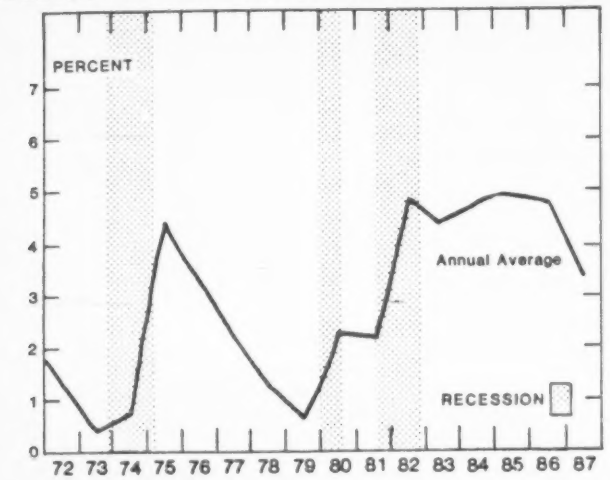


National Spending, Output, Income, and Prices

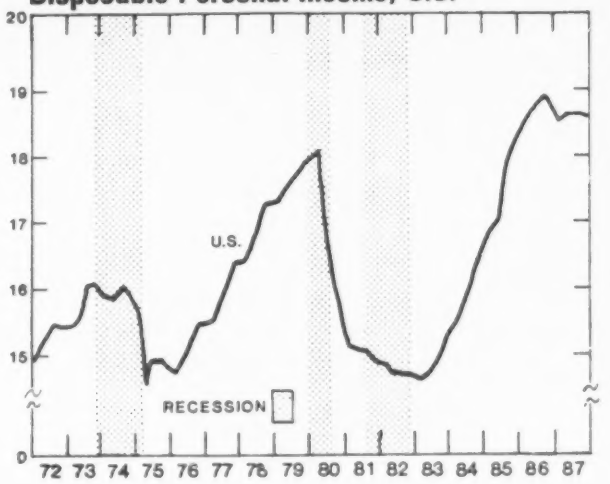
Type of Economic Activity	United States		
	IV QUARTER 1987	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1982 Dollars)	3,875.1	1.0	3.8
Personal Consumption Expenditures	2,496.6	-1.0	0.6
Durable Goods	384.4	-5.5	-3.7
Nondurable Goods	865.6	-1.2	-1.7
Services	1,246.6	0.7	3.8
Gross Private Domestic Investment	714.2	4.7	13.2
Nonresidential, Fixed	459.6	-0.9	3.7
Residential, Fixed	196.3	1.4	-2.9
Net Exports	-130.7	#	#
Government Purchases	795.0	3.0	3.0
Federal	354.5	5.4	2.9
State and Local	440.5	1.2	3.1
Current Federal Budget Surplus (Deficit) 1/	-160.1	-135.8	-188.7
Current Federal Budget Surplus (Deficit) as % of GNP 1/	3.5	3.0	4.4
Retail Sales (in millions of dollars)	126,025	-1.2	1.8
Industrial Production (Base Year - 1977)	133.0	1.6	5.6
Housing Starts (Annualized in Thousands)	1,517	-6.5	-10.9
Plant Utilization Rates	82.2	1.0	3.0
New Orders - Durable Goods (in millions of dollars)	113,681	4.9	11.2
Income and Credit			
Total Personal Income (in billions of dollars)	3,851.5	2.4	7.2
Total Disposable Personal Income (in billions of dollars)	3,272.6	2.4	6.9
Per Capita Personal Income			
Current Dollars	15,745	2.1	6.2
1967 Dollars	4,628	1.3	1.6
Median Family Income - Family of Four (in dollars)	34,407	1.9	5.8
Poverty Threshold for Family of Four (in dollars)	11,200		1.8
Average Weekly Earnings of Production Workers in Mfg.	415.90	2.9	3.5
Money and Credit			
Money Supply (M2) (in billions of dollars)	2,893.1	1.1	4.1
Federal Reserve Discount Rate	6.00	6.2	9.1
Prime Rate Charged by Banks	8.87	5.6	18.3
Consumer Installment Credit as % of Disp. Pers. Income	18.6	-0.4	-1.4
Prices			
Consumer Price Index (All Urban Consumers)	345.6	0.9	4.5
Food	327.2	0.5	3.4
Housing	375.1	0.2	3.5
Apparel	224.6	4.1	5.7
Transportation	323.1	1.1	6.3
Medical Care	471.5	1.2	6.1
Personal Care	302.8	0.6	3.2
Producer Price Index	311.7	0.5	4.4
Finished Goods	292.7	-0.2	2.8
Raw Materials	303.2	-1.4	8.8

Percent change not applicable
1/ Represents values - not percent change.

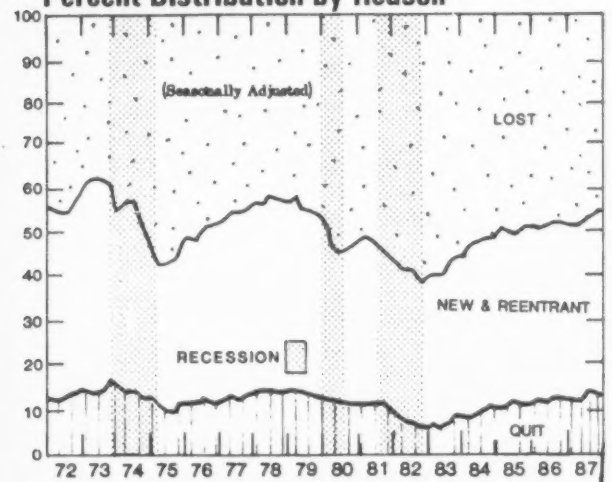
Federal Deficit as % of GNP (Current Dollars)



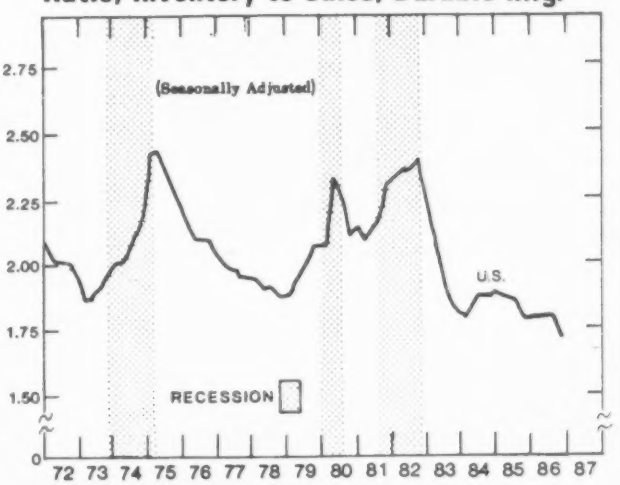
Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.



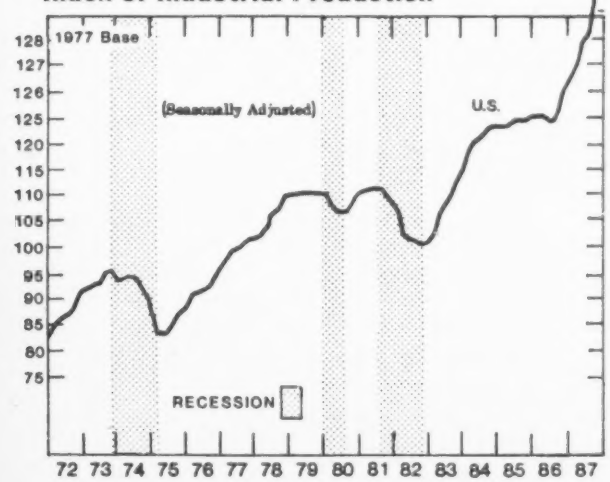
U.S. Unemployment: Percent Distribution by Reason



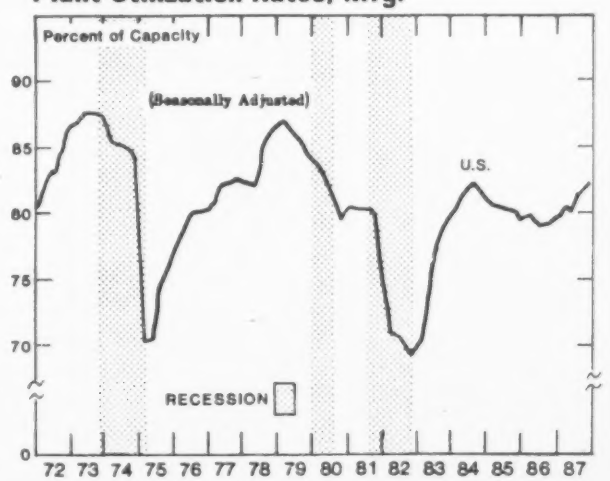
Ratio, Inventory to Sales, Durable Mfg.



Index of Industrial Production



Plant Utilization Rates, Mfg.



Official Business
Penalty for Private Use $300

Minnesota Labor Market Review

MINNESOTA DEPARTMENT OF
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Minnesota Labor Market Review (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Employment Projections to 1990, Minneapolis-St. Paul Metropolitan Area (April 1986)

Occupational Employment Projections to 1990 in Eight Sub-Areas of Greater Minnesota (July 1987)

Labor Market Information Summary for 1986 for Minnesota (August 1986)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1979 - December, 1986 (April 1987)

Employment, Hours, and Earnings, 1950-1987, Minneapolis-St. Paul Area (April 1987)

Important Minnesota Occupations by Industry (June 1987)

1985 Occupational Employment Statistics in Minnesota (November 1986)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1987 Minnesota Salary Survey (November 1987)

1987 Minnesota Hospitals and Nursing Homes Salary Survey (December 1987)

1986 Minnesota Wage Data by Industry and Size of Firm (October 1986)

Minnesota Employment and Wages by Economic Region and County (First Quarter 1987) Limited number available for 1975-1986

Average Covered Employment & Wages by Economic Region for the Calendar Year 1986 by Two Digits of Industry (also available for 1976-1985)